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***Ex Parte* via Electronic Filing**

Ms. Marlene Dortch
Secretary
Federal Communications Commission
Room TW-A325
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: WC Docket No. 02-314; CC Docket Nos. 96-98; 99-68; 99-200 and 01-92

Dear Ms. Dortch:

On November 20, 2002, Bill Hunt and I of Level 3 Communications, LLC (Level 3) met with several individuals from the Wireline Competition Bureau, including: Bill Maher, Bureau Chief; Jane Jackson, Assistant Bureau Chief; Jessica Rosenworcel, Legal Counsel; Tamara Preiss, Pricing Policy Division Chief; and Jay Atkinson, Chris Barnekov, Steve Morris, and Victoria Schelsinger also of the Pricing Policy Division. On November 21, 2002. Bill Hunt and I also met with Robert Pepper and Donald Stockdale of the Office of Plans and Policy.

During these meetings Level 3 discussed the consumer benefits of its market expansion of managed modem services. As explained at these meetings, it is critical that the Federal Communications Commission (Commission), state commissions and the industry establish an economically efficient and technology neutral means for interconnection and the exchange of all types of traffic.

Level 3 also discussed specific issues related to several on-going proceedings at the Commission. Level 3 highlighted its belief that in the *ISP-Bound Remand Order*,¹ although the Commission asserted jurisdiction over and established the compensation regime for the termination of ISP-bound traffic, the Commission did not intend to eliminate section 251 interconnection rights and obligations with regard to such traffic. As Level 3 has pointed out in previous *ex parte* filings, footnote 149 of the *ISP-Bound Remand Order* makes this interpretation abundantly clear. Questions of how the Commission's findings in that order affect interconnection obligations and the exchange of ISP-bound traffic have arisen in several Level 3 interconnection negotiations and arbitrations over the past year. Level 3 further discussed how the exchange of traffic under

¹ *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996; Inter-carrier Compensation of ISP-Bound Traffic*, 16 FCC Rcd 9151 (2001) (*ISP Remand Order*), remanded sub nom. *WorldCom, Inc. v. FCC*, 288 F.3d 429 (D.C. Cir. 2002).

foreign exchange or virtual NXX arrangements should be compensated in a multi-provider environment.

In the context of Qwest's multi-state 271 application, Level 3 reiterated its position that it is not responsible for the costs of originating traffic on Qwest's network, and that calls placed by Qwest customers to ISPs served by other providers should not be excluded from the relative-use calculation agreed to by the parties to determine the appropriate charges for interconnection facilities (direct trunk transport and entrance facilities).

Furthermore, Level 3 discussed its position regarding AT&T's recent petition for declaratory ruling on whether "phone to phone" voice over the Internet should be exempt from the Commission's current access charge regime. Again, Level 3 encouraged the Commission to adopt a compensation scheme that permits providers to interconnect and exchange traffic in the most economically efficient manner possible.

Finally, Level 3 emphasized that it is of critical importance for the Commission to settle issues such as whether state commissions have jurisdiction to rule on questions arising from the exchange of ISP-bound traffic between LECs, and to determine whether Qwest is violating the Commission's interconnection rules and obligations by attempting to charge Level 3 for facilities used to originate ISP-bound traffic over the Qwest network. These kinds of questions must be settled to ensure that new entrants such as Level 3 are able to deploy innovative services in a timely and competitive manner, and to promote competitive entry into areas beyond the metropolitan regions served by the largest incumbents.

Please do not hesitate to contact the undersigned if you have any questions concerning this filing.

In accordance with the Commission's rules, this letter is being filed electronically in the above captioned dockets.

Sincerely,

/s/

Staci L. Pies

cc: Bill Maher
Robert Pepper
Jane Jackson
Donald Stockdale
Jessical Rosenworcel
Tamara Preiss
Chris Barnekov
Jay Atkinson
Victoria Schlesinger
Steve Morris